

AR43

the
financial
world
of



1969
annual
report

a look at the new



Rex Chainbelt is a company in the process of very substantial change. At the beginning of the decade of the 1960's, Rex was an organization of 3,700 people, known essentially for its skills in meeting market requirements for drive chains, conveyors and construction equipment. The company was recognized, too, for its solid financial base and long record of dividend payment to shareholders.

Planning for the 1960's set forth a strategy of development to accelerate corporate growth through an extension of existing marketing and technological capabilities into new high growth areas. The company's sales have increased from \$65 million in 1960 to \$217 million in 1969, or at an annual rate of 16%. This growth in volume of sales has come from two sources. The company's traditional business doubled in volume through internal development of new products and by increasing its market share. In addition, almost \$100 million has been added through selected acquisitions of companies in related fields.

Planned change has successfully moved the company into a number of markets with outstanding growth opportunities. As a result, today Rex has a leadership position as a supplier of systems and equipment to control water pollution; in mechanized luggage handling for airports; in computer controlled automated material handling for manufacturing, processing, and warehousing; as a producer of sophisticated systems and components to transmit energy; and in a number of other important and significant areas of the economy of our nation. The international marketplace also has a high priority in our planning. Great strides have been made in the decade of the 1960's to establish Rex on a worldwide basis. Ownership in overseas manufacturing affiliates has grown from one in 1960 to thirteen by the end of the ten-year period.

The past decade has brought about an important enrichment of our total corporate capability and provides a firm base for greater advances and opportunities in the decade that lies ahead. We move into the 1970's with more than 9500 people who are skilled, experienced and dedicated to the continuance of accelerated corporate growth.

Horizons for the new Rex are unlimited.

year at a glance



	1969	1968
Sales	\$216,672,000	\$191,201,000
Earnings before income taxes .	19,718,000	17,426,000
Net income	9,610,000	8,928,000
Net income per common share		
Primary	2.74	2.57
Assuming full dilution	2.65	2.48
Net working capital	65,054,000	68,353,000
Capital expenditures	9,642,000	6,859,000
Facilities after depreciation	41,263,000	36,212,000
Book value per common share .	23.84	23.01
Shareholders' ownership	98,785,000	95,029,000
Number of shareholders	12,212	12,057

R. V. Krikorian, President and W. C. Messinger, Chairman



to the shareholders



December 5, 1969

record sales, orders & pretax profit

Sales, incoming orders, total pretax profit, capital expenditures and the year-end backlog of unshipped orders achieved record levels for 1969. Earnings per share were the third highest in the history of the company.

Sales for 1969 of \$216,672,000 were 13% greater than 1968 sales of \$191,201,000. Incoming orders were 21% above 1968.

The backlog of unfilled orders at the close of the fiscal year was 27% ahead of last year.

Income before taxes of \$19,718,000 was 13% ahead of pretax income for 1968 of \$17,426,000. Net income for the year reached \$9,610,000.

This represents an increase of 7.5% over 1968 net income of \$8,928,000.

Primary net income per common share of \$2.74 compared with \$2.57 per share in 1968, an increase of over 6.5%.

As we review the accomplishments of the 1960's and our plans for growth and expansion for the 1970's, the successes and achievements have been and will be the result of the sincere cooperation and valued assistance of our customers, distributors, employees, suppliers and shareholders. Management takes this occasion to express its appreciation to all of these groups for their cooperation and support.

dividends

Dividends totaled \$1.50 per common share during 1969.

The Series A preferred shareholders receive dividends at the annual rate of \$2.50 per share and the Series B preferred shareholders receive dividends at the annual rate of \$2.36. Rex Chainbelt has paid cash dividends for seventy-six consecutive years, one of the few companies listed on the New York Stock Exchange to have such a record.

mergers and acquisitions

Rex continued its active acquisition program during 1969 with key acquisitions which will diversify the company's industrial, consumer, aerospace and international markets.

On February 28, 1969 Rex purchased for cash the assets and business of Perfection American, Inc. of Harvey, Illinois and Darlington, South Carolina. Perfection manufactures a broad line of transmission, differential, timing and industrial stock gears, as well as fractional horsepower speed reducers, clutch plates and clutch assembly parts. Perfection employs 800 people, most of whom are located at a modern 300,000 square foot manufacturing plant in Darlington. The well established distribution system for Rex products should accelerate the growth of Perfection's sales in the industrial market.

On March 31, 1969 the Company acquired all of the assets and properties, subject to stated liabilities, of Cartriseal Corporation of



Wheeling, Illinois. Cartriseal manufactures a comprehensive line of highly engineered mechanical shaft seals for use with rotating shafts on pumps, gas turbines and crawler tractors. In addition, a high percentage of its sales are to the aerospace industry for use with main shafts and accessories on jet engines.

Two significant acquisitions were reported in Rex's international operations. On March 20 Rex announced the purchase of the remaining 50% German-owned interest in Rex-Hunnebeck G.m.b.H. This company is located near Dusseldorf, West Germany. The company was founded as a joint venture in 1960 and has become one of Europe's leading manufacturers of concrete transit mixers and concrete batch plants.

In May, 1969, Rex international operations expanded into the water pollution and solid waste treatment business on the European continent through the purchase of a 75% interest in O.C.P. S.A., Brussels, Belgium. O.C.P. is a combined consulting engineering and general contracting firm specializing in the design and installation of waste, sewage, waste water and refuse treatment systems. In recent years O.C.P. has made a number of garbage processing installations which have proved very successful in both large and small European communities. As a result of the acquisition, Rex also obtained a majority interest in Hydrotec S.A. of Paris, France, an affiliate of O.C.P. which serves the waste water and refuse treatment markets in France.

capital
expenditures
at record
levels

During the year Rex undertook major capital expenditure programs in order to accommodate the increasing demand for its product lines and to achieve further manufacturing efficiencies and lower product costs. Capital expenditures totaled \$9,642,000 or \$5,532,000 above the depreciation provision of \$4,110,000. During the past five years the company has expended more than \$32,000,000 for equipment, buildings and land, an average rate nearly two and one half times that of the prior five year period. The total amount for capital expenditures during 1969 includes approximately \$3,000,000 for the fixed assets of Perfection American.

The largest appropriation for a new plant project ever approved by the company was for the construction of a new 200,000 square foot manufacturing plant for the Racine Hydraulics Division, costing approximately \$3,500,000. During 1969 the Racine Hydraulics Division obtained new orders at a rate more than 40% ahead of the prior year, overtaking the existing manufacturing facilities. In addition to the expansion of productive capacity, the new plant will permit the consolidation of several smaller facilities and allow further substantial operating efficiencies. The plant is expected to be ready for occupancy next spring.



The existing Roller Chain plant at Springfield, Massachusetts is being replaced by a new 170,000 square foot facility costing approximately \$2,700,000. The new plant will greatly increase capacity at the Roller Chain Division and will simplify material handling, production control and machine scheduling activities. The automated assembly machinery installed at the new location will reduce production costs of the company's broad line of precision roller chain.

Scientific research in water pollution abatement processes will be aided by the expansion this year of facilities for studying oxygenation of water at Rex's Technical Center. A 1,000,000 gallon aeration test tank, the world's largest, is being constructed which will permit the company's scientific staff to study, develop and test submerged diffuser and surface mechanical aeration equipment.

organization
changes

Mr. H. W. Johnson, a director of the company since 1963, retired from the Board of Directors on December 4, 1968 in accordance with the terms of the company's retirement program for directors. Mr. S. Bruce Smart, Jr., Group Vice President, Continental Can Company, Inc., was elected by the Board to fill the vacancy. Mr. Smart was subsequently elected to a one year term at the Annual Shareholders' Meeting in January, 1969.

On June 4 the Board of Directors amended the Bylaws to increase the number of directors to thirteen. Mr. Mitchell P. Kartalia, President of Square D Company, Park Ridge, Illinois, was elected by the Board to fill the vacancy.

the world
of REX

The financial information of your company is presented to you in this report, "The Financial World of Rex." The companion brochure, "The World of Rex," is designed to give you further information concerning many of the important and exciting areas in which Rex is active today. These new areas are available to Rex as the result of a program of planned change started early in the 1960's. It has been accomplished through selective acquisitions, internal growth and dynamic scientific research and development programs. The new Rex is ready for the challenges of the 1970's. It will be a decade of growth, opportunity and satisfaction for everyone connected with the company.

A handwritten signature in dark ink, reading "R. V. Krikorian".

R. V. Krikorian
President

A handwritten signature in dark ink, reading "W. C. Messinger".

W. C. Messinger
Chairman

simplified statements for 1969



results of operations

	AMOUNT	PER \$100 OF SALES
THE COMPANY SOLD		
to customers	\$216,672,000	\$100.00
THESE SALES DOLLARS WERE USED FOR:		
Wages, salaries and employee benefits	\$ 94,153,000	\$ 43.45
Materials, supplies, services and depreciation	<u>102,801,000</u>	<u>47.45</u>
Costs applicable to operations for the year	196,954,000	90.90
Estimated federal, state and Canadian income taxes	10,108,000	4.67
Dividends paid to shareholders	5,938,000	2.74
Retained for use in the business	<u>3,672,000</u>	<u>1.69</u>
	\$216,672,000	\$100.00

financial condition

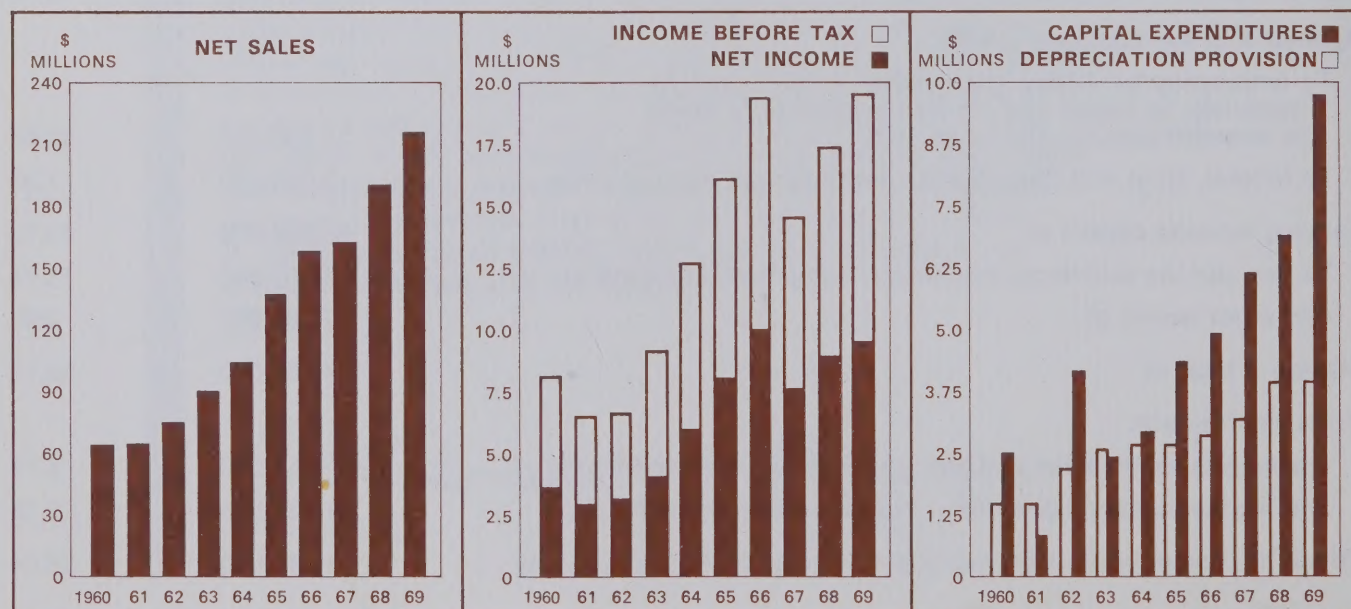
	AMOUNT	PER COMMON SHARE
After reflecting these operations, the financial statement at October 31, 1969 showed the company:		
Owned cash and marketable securities of	\$ 3,469,000	\$ 1.16
Was owed by customers	41,152,000	13.75
Had raw materials, products being manufactured and products ready for sale of	54,364,000	18.16
Had paid in advance for insurance and other expenses	<u>1,989,000</u>	<u>.66</u>
Amounting to total current assets of	100,974,000	33.73
Against this the company owed:		
To employees for wages and salaries, to suppliers for materials, to banks and others for short-term loans, to shareholders for dividends, etc.	31,930,000	10.67
To federal, state and Canadian governments for income taxes	<u>3,990,000</u>	<u>1.33</u>
Leaving working capital of	65,054,000	21.73
To this add the buildings, machinery, equipment and land of	41,263,000	13.78
And other assets of	<u>7,833,000</u>	<u>2.62</u>
Making a total of	114,150,000	38.13
From this deduct:		
The long-term liabilities and deferred federal taxes on income of ..	15,365,000	5.13
And the involuntary liquidation value of preferred stock	<u>27,420,000</u>	<u>9.16</u>
This is the common stock shareholders' investment in the company ..	\$ 71,365,000	\$ 23.84



consolidated statement of source and application of funds — 1969/1968

	YEAR ENDED OCTOBER 31,	
	1969	1968
SOURCE		
From operations		
Net income	\$ 9,610,000	\$ 8,928,000
Depreciation	4,110,000	4,047,000
	13,720,000	12,975,000
Net current assets of acquired companies	361,000	285,000
Net book value of fixed asset dispositions	1,009,000	468,000
Decrease (increase) in other long-term assets	319,000	(1,002,000)
Increase (decrease) in long-term liabilities	370,000	(409,000)
	15,779,000	12,317,000
APPLICATION		
Increase in investments in affiliated companies	2,571,000	248,000
Capital expenditures, including \$3,006,000 for acquired company	9,642,000	6,859,000
Cash dividends declared	5,938,000	5,298,000
Miscellaneous	927,000	(90,000)
	19,078,000	12,315,000
Increase (decrease) in working capital	\$ (3,299,000)	\$ 2,000

growth trends



The above charts include the statistics of companies acquired through merger or purchase only since the years of acquisition.

consolidated statement of income and retained earnings



	YEAR ENDED OCTOBER 31,	
	1969	1968
INCOME		
NET SALES	\$216,672,000	\$191,201,000
COST OF GOODS SOLD	135,805,000	120,385,000
	80,867,000	70,816,000
SELLING, ADMINISTRATIVE AND GENERAL EXPENSES	62,288,000	54,585,000
	18,579,000	16,231,000
OTHER INCOME AND (CHARGES)		
Interest and discount earned	1,006,000	1,016,000
Interest expense	(1,578,000)	(776,000)
Equity in earnings of affiliated companies (note 1)	1,140,000	660,000
Miscellaneous — net	571,000	295,000
	1,139,000	1,195,000
	19,718,000	17,426,000
PROVISION FOR ESTIMATED TAXES ON INCOME		
Federal	8,697,000	7,532,000
State and Canadian	1,411,000	966,000
	10,108,000	8,498,000
NET INCOME	9,610,000	8,928,000
Net income per common share (note 6)		
	1969	1968
Primary	\$2.74	\$2.57
Assuming full dilution	2.65	2.48
RETAINED EARNINGS		
Balance at beginning of year	41,769,000	37,742,000
	51,379,000	46,670,000
Rex Chainbelt Inc. cash dividends declared		
Common stock — \$1.50 per share	(4,471,000)	(4,390,000)
Preferred stock — \$2.50 Convertible Series A	(438,000)	(439,000)
Preferred stock — \$2.36 Convertible Series B	(977,000)	—
Transactions applicable to acquired companies		
Retained earnings of acquired companies at beginning of year (note 1)	532,000	483,000
Cash dividends prior to acquisition	(52,000)	(469,000)
Transfer to stated value of preferred stock	—	(86,000)
Balance at end of year	\$ 45,973,000	\$ 41,769,000

Provisions for depreciation were \$4,110,000 in 1969 and \$4,047,000 in 1968.



consolidated balance sheet

october 31, 1969 and 1968

assets

	1969	1968
CURRENT ASSETS		
Cash	\$ 3,373,000	\$ 2,626,000
Marketable securities at cost (which approximates market) plus accrued interest	96,000	2,593,000
Notes and accounts receivable, less allowance of \$400,000 and \$397,000, respectively	41,152,000	37,057,000
Inventories (note 2)	54,364,000	43,795,000
Deferred charges and other current assets	1,989,000	1,589,000
	<u>100,974,000</u>	<u>87,660,000</u>
OTHER ASSETS		
Investments and advances — affiliated companies (note 1)	6,460,000	3,889,000
Other long-term assets	1,373,000	1,692,000
	<u>7,833,000</u>	<u>5,581,000</u>
FIXED ASSETS		
Buildings and improvements	28,137,000	25,681,000
Machinery and equipment	53,652,000	48,744,000
	<u>81,789,000</u>	<u>74,425,000</u>
Less — accumulated depreciation (note 3)	42,932,000	40,243,000
	<u>38,857,000</u>	<u>34,182,000</u>
Land	2,406,000	2,030,000
	<u>41,263,000</u>	<u>36,212,000</u>
	<u>\$150,070,000</u>	<u>\$129,453,000</u>

liabilities

	1969	1968
CURRENT LIABILITIES		
Notes payable	\$ 14,350,000	\$ 555,000
Accounts payable	6,358,000	4,140,000
Accrued expenses	8,599,000	7,584,000
Federal, state and Canadian taxes on income	3,990,000	4,940,000
Dividends payable	1,594,000	1,212,000
Current maturities of long-term liabilities	1,029,000	876,000
	35,920,000	19,307,000
LONG-TERM LIABILITIES (note 4)	14,855,000	14,485,000
DEFERRED FEDERAL TAXES ON INCOME	510,000	632,000

shareholders' ownership (note 5)

	Shares			
	1969	1968		
Preferred stock				
No par value—authorized, 650,000 shares				
Issued—at stated value (involuntary liquidation value \$27,420,000 at October 31, 1969)				
\$2.50 Convertible Series A	175,143	175,164	2,751,000	2,751,000
\$2.36 Convertible Series B	414,721	413,453	8,725,000	8,664,000
\$1 par value — authorized, 2,550,000 shares (none issued)				
Common stock — authorized, 12,000,000 shares — \$10 par value				
Issued	2,997,317	2,945,255	29,973,000	29,453,000
Less—in treasury, at cost	4,100	4,100	(110,000)	(110,000)
	2,993,217	2,941,155		
Capital in excess of par value			11,473,000	12,502,000
Retained earnings invested in the business			45,973,000	41,769,000
			98,785,000	95,029,000
			\$150,070,000	\$129,453,000

notes to 1969 financial statements



NOTE 1 — Principles of Consolidation

The consolidated financial statements include the accounts of Rex Chainbelt Inc. and its domestic and Canadian subsidiaries.

On February 28, 1969 the Company acquired the net assets of Perfection American, Inc. for \$5,500,000 plus an undetermined contingent amount payable after October, 1972. The additional payment, if any, is contingent upon Perfection's operating performance exceeding specified contractual terms. On March 31, 1969, the Company issued 50,000 shares of Common Stock in connection with the acquisition of the net assets of Cartriseal Corporation. This transaction was accounted for as a pooling of interests and, accordingly, the financial statements for 1969 include the operations of Cartriseal for the entire year. The 1968 financial statements have not been revised since the effect of revision would not be material. Net sales of Perfection and Cartriseal included in the 1969 consolidated statement of income aggregated \$12,626,000.

Investments in affiliated companies represent interests in companies located principally outside of the United States and Canada. The carrying value of such investments is approximately equal to the sum of the Company's equity in the recorded value of the underlying net assets, plus in certain instances, the excess purchase price at dates of acquisition.

NOTE 2 — Inventories

Inventories, stated at the lower of cost (principally first-in, first-out) or market, consisted of the following:

	October 31,	
	1969	1968
Raw materials and supplies	\$ 8,722,000	\$ 7,652,000
Work in process and finished goods	45,642,000	36,143,000
	<u>\$54,364,000</u>	<u>\$43,795,000</u>

NOTE 3 — Depreciation

Fixed assets acquired after October 31, 1967 are being depreciated on the straight-line basis; generally, assets acquired prior to that date are being depreciated on accelerated methods. Accelerated depreciation methods are used on all qualified fixed assets for federal income tax purposes.

NOTE 4 — Long-Term Liabilities

Long-term liabilities at October 31, 1969 consisted of the following:

3¼% Sinking Fund Debentures, due in annual installments of \$235,000 to 1972, less \$270,000 held in treasury	\$ 440,000
4½% Notes Payable, due in annual installments of \$550,000 to 1983	7,800,000
5.7% Notes Payable, due in annual installments of \$250,000 to 1980	2,750,000
7½% Notes Payable, due in annual installments of \$138,000 to 1980	1,524,000
Other long-term liabilities	3,370,000
	<u>15,884,000</u>
Less-current portion	<u>1,029,000</u>
	<u>\$14,855,000</u>

NOTE 5 — Shareholders' Ownership

At the annual meeting held January 22, 1969, the Company's shareholders amended the Restated Articles of Incorporation to increase authorized capital stock from 6,650,000 shares to 15,200,000 shares, consisting of 650,000 shares of a class designated "Preferred Stock, without par value," 2,550,000 shares of a class designated "Preferred Stock, \$1 par value," and 12,000,000 shares of a class designated "Common Stock," of \$10 par value per share.

The preferred stock issued is cumulative, convertible into shares of Rex common stock, and redeemable by the Company beginning five years after issuance. In addition, it is entitled to specified amounts, in addition to accrued and unpaid dividends, in the event of involuntary liquidation. Other pertinent data follows:

	\$2.50 Convertible Series A	\$2.36 Convertible Series B
Annual Dividend	\$ 2.50	\$ 2.36
Number of common shares to be issued upon conversion of each preferred share	1.2	1.0
	Nov. 2, 1972	Oct. 28, 1973
Redeemable after		
Redemption price per share	\$52.50	\$47.36
Involuntary liquidation value per share	\$50.00	\$45.00

The table below summarizes the changes in capital in excess of par value and common and preferred stock for the year ended October 31, 1969.

The 1969 Employees' Qualified Stock Option Plan, approved at the annual shareholders' meeting, provides for

granting of options for not more than 150,000 shares of common stock at fair market value at the time options are granted. Options granted under the Plan are exercisable in equal annual installments during the first five years after grant. During 1969, options to purchase 109,000 shares of common stock at \$38.75 per share were granted; all such options remained unexercised and outstanding at October 31, 1969. In addition, at October 31, 1969, options were outstanding for the purchase of 2,170 shares of Convertible Series B preferred stock at prices ranging from \$27.75 to \$45.75 per share; these options are exercisable to 1972.

At October 31, 1969, shares of common stock were reserved for (a) conversion of preferred stock, including preferred stock to be issued upon exercise of options (627,286 shares), (b) exercise of common stock options (109,000 shares) and (c) granting of additional common stock options (43,104 shares).

NOTE 6 — Net Income Per Common Share

Primary net income per common share was computed by dividing net income, after provision for preferred dividend requirements, by the weighted average of common shares outstanding. Net income per common share, assuming full dilution, was based upon (a) the assumption that the convertible debentures and convertible preferred stock were converted, and the dilutive stock options were exercised, all as of the beginning of the year, and (b) the elimination, after taxes, of interest on the debentures. The number of shares included for dilutive stock options was reduced by the number of shares which could have been purchased with the proceeds from exercise of such options.

NOTE 7 — Pension Plans

The Company and its subsidiaries have pension plans covering substantially all employees. During 1969 the Company revised the method of valuation of trust assets in its major plans; this change increased net income for 1969 by approximately \$175,000. The total pension expense, which includes amortization of prior service costs principally over 40 years, was \$3,341,000 in 1969 and \$3,665,000 in 1968. The Company's policy is generally to fund pension costs.

	Capital In Excess Of Par Value	Common Stock		Preferred Stock			
				\$2.50 Convertible Series A		\$2.36 Convertible Series B	
	Amount	Shares	Amount	Shares	Amount	Shares	Amount
Balance at beginning of year	\$12,502,000	2,945,255	\$29,453,000	175,164	\$2,751,000	413,453	\$8,664,000
Conversion of preferred stock into common stock	23,000	2,062	20,000	(21)	—	(2,037)	(43,000)
Issuance of common stock in exchange for net assets of Cartriseal Corporation	(408,000)	50,000	500,000				
Repurchase of Convertible Subordinated Debentures	(628,000)						
Conversion of Convertible Subordinated Debentures	(6,000)					4,215	145,000
Cash payments in lieu of fractional shares						(910)	(41,000)
Other changes	(10,000)						
Balance at end of year	<u>\$11,473,000</u>	<u>2,997,317</u>	<u>\$29,973,000</u>	<u>175,143</u>	<u>\$2,751,000</u>	<u>414,721</u>	<u>\$8,725,000</u>

opinion of
independent
public
accountants



To the Board of Directors
and the Shareholders of
Rex Chainbelt Inc.

In our opinion, the accompanying consolidated balance sheet and related consolidated statements of income and retained earnings and source and application of funds present fairly the financial position of Rex Chainbelt Inc. and its consolidated subsidiary companies at October 31, 1969, the results of their operations and the supplementary information on funds for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. Our examination of these statements was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

Price Waterhouse & Co.

Milwaukee, Wisconsin
November 21, 1969

10 year financial history

for the fiscal years ended october 31



	1969	1968	1967	1966	1965	1964	1963	1962	1961	1960
INCOME AND RETAINED EARNINGS										
Net Sales*	216,672	191,201	162,915	159,611	139,458	105,272	90,824	76,234	65,080	64,786
Earnings Before Income Taxes*	19,718	17,426	14,665	19,611	16,118	12,721	9,225	6,657	6,570	8,127
% To Net Sales	9.1	9.1	9.0	12.3	11.6	12.1	10.2	8.7	10.1	12.5
Provision For Income Taxes*	10,108	8,498	7,045	9,515	8,098	6,778	5,185	3,528	3,608	4,479
Net Income*	9,610	8,928	7,620	10,096	8,020	5,943	4,040	3,129	2,962	3,648
% To Net Sales	4.4	4.7	4.7	6.3	5.8	5.6	4.4	4.1	4.6	5.6
PER COMMON SHARE										
Net Income	2.74	2.57	2.48	3.51	2.79	2.36	1.61	1.29	1.22	1.51
Income Taxes	3.38	2.90	2.45	3.31	2.82	2.69	2.07	1.46	1.49	1.86
Dividends	1.50	1.50	1.50	1.50	1.20	1.00	.93	.80	.80	.93
Book Value	23.84	23.01	25.17	26.59	24.59	22.26	20.89	20.43	20.11	19.69
WORKING CAPITAL AND CAPITALIZATION										
Net Working Capital*	65,054	68,353	59,551	57,899	53,944	45,377	39,416	32,012	35,039	29,333
Current Ratio	2.8 to 1	4.5 to 1	4.5 to 1	4.4 to 1	4.5 to 1	5.4 to 1	5.2 to 1	3.7 to 1	6.4 to 1	4.6 to 1
Long-Term Liabilities*	14,855	14,485	9,125	9,675	10,850	11,400	11,885	8,010	8,010	2,560
Shareholders' Ownership*	98,785	95,029	82,032	76,445	70,682	56,177	52,457	49,586	48,785	47,555
PLANTS AND EQUIPMENT										
Net Properties*	41,263	36,212	29,598	26,297	24,407	19,222	21,643	21,643	17,393	18,338
Capital Expenditures*	9,642	6,859	6,194	4,907	4,427	2,966	2,432	4,207	817	2,534
Provision For Depreciation*	4,110	4,047	3,220	2,890	2,716	2,710	2,593	2,221	1,582	1,556
SUNDRY INFORMATION										
Number Of Employees	9,465	8,516	7,617	7,504	6,703	5,285	4,878	4,525	3,912	3,711
Number Of Shareholders	12,212	12,057	8,840	7,532	7,069	5,810	5,314	5,310	5,125	4,949
Shares Outstanding At Year-End†										
Common	2,992	2,930	2,877	2,875	2,874	2,523	2,511	2,427	2,426	2,415
Preferred	589	594	192							

* In thousands of dollars.

† In thousands; represents average shares outstanding in 1968 and 1969.

The 10 year financial history includes the results of operations of companies acquired through merger or purchase only since the years of acquisition. The following tabulation reflects a restatement of prior year net sales and net income to include significant operations of those acquisitions treated as "poolings of interests", and includes primary and fully diluted net income per share based on such restated net income:

	In Thousands		Net Income Per Common Share	
	Net Sales	Net Income	Primary	Fully Diluted
1968	\$191,201	\$ 8,928	\$2.57	\$2.48
1967	184,542	8,463	2.47	2.39
1966	184,688	12,060	3.76	3.50
1965	159,605	9,341	2.84	2.73

Rex Chainbelt Inc.

DIRECTORS

- *O. W. Carpenter, Retired, Former Chairman of the Board and Chief Executive Officer, Milwaukee, Wisconsin. Director since 1948.
- R. C. Jaenke, President, The Penton Publishing Company, Cleveland, Ohio. Director since 1963.
- Mitchell P. Kartalia, President, Square D Company, Park Ridge, Illinois. Director since 1969.
- *R. V. Krikorian, President, Milwaukee, Wisconsin. Director since 1964.
- *A. D. K. Mason, Vice President, Marshall Field & Company, Milwaukee, Wisconsin. Director since 1962.
- D. A. Meeker, Chairman of the Board and Chief Executive Officer, The Hobart Manufacturing Company, Troy, Ohio. Director since 1960.
- *W. C. Messinger, Chairman, Milwaukee, Wisconsin. Director since 1953.
- *D. S. Parker, Chairman, The Parker Pen Company, Janesville, Wisconsin. Director since 1964.
- *D. C. Slichter, Retired, Former Chairman of the Board, The Northwestern Mutual Life Insurance Company, Milwaukee, Wisconsin. Director since 1955.
- S. Bruce Smart, Jr., Group Vice President, Continental Can Company, Inc., New York, New York. Director since 1968.
- J. R. Strassburger, President, Rex International Inc., Milwaukee, Wisconsin. Director since 1967.
- H. E. Tennes, Retired, Former Manager of Bearing Division, Wilmette, Illinois. Director since 1962.
- G. H. Woodland, Vice President-Operations, Milwaukee, Wisconsin. Director since 1959.

*Member Executive Committee

REGISTRARS

Harris Trust and Savings Bank,
Chicago, Illinois

First National City Bank,
New York, New York

TRANSFER AGENTS

The Northern Trust Company,
Chicago, Illinois

Chemical Bank, New York, New York

ANNUAL MEETING DATE
January 28, 1970

OFFICERS

- W. C. Messinger, Chairman. Joined Rex in 1942.
- R. V. Krikorian, President. Joined Rex in 1950.
- J. J. Condon, Vice President-Industrial Relations. Joined Rex in 1967.
- W. J. Harwick, Vice President-Research & Development. Joined Rex in 1965.
- W. E. Schauer, Vice President-Finance & Treasurer. Joined Rex in 1952.
- R. Seaman, Vice President-Corporate Planning and Development. Joined Rex in 1946.
- W. Sivyer, Vice President-Operations. Joined Rex in 1945.
- K. J. Thompson, Vice President-Manufacturing Engineering & Facilities. Joined Rex in 1946.
- G. H. Woodland, Vice President-Operations. Joined Rex in 1938.
- G. A. Evans, Secretary. Joined Rex in 1939.
- C. R. Roy, Controller. Joined Rex in 1962.
- H. L. Fjellman, Staff Financial Officer. Joined Rex in 1946.
- W. T. Boggs, Assistant Secretary. Joined Rex in 1968.
- E. W. Mentzer, Assistant Secretary. Joined Rex in 1966.
- G. C. McDonough, Assistant Treasurer. Joined Rex in 1969.

STOCK EXCHANGE LISTINGS

New York Stock Exchange
Midwest Stock Exchange

REX EXECUTIVE OFFICE

2000 Marine Plaza
111 East Wisconsin Avenue
Milwaukee, Wisconsin 53202

Rex International Inc.

DIRECTORS

- R. N. Bee, Vice President, First Wisconsin National Bank, Milwaukee, Wisconsin.
- O. W. Carpenter, Retired, Director, Rex Chainbelt Inc., Milwaukee, Wisconsin.
- R. V. Krikorian, President, Rex Chainbelt Inc., Milwaukee, Wisconsin.
- W. C. Messinger, Chairman, Rex Chainbelt Inc., Milwaukee, Wisconsin.
- D. S. Parker, Chairman, The Parker Pen Company, Janesville, Wisconsin.
- J. R. Strassburger, President, Rex International Inc., Milwaukee, Wisconsin.
- G. H. Woodland, Vice President-Operations, Rex Chainbelt Inc., Milwaukee, Wisconsin.

OFFICERS

- J. R. Strassburger, President. Joined Rex in 1944.
- D. D. Cole, Vice President-Marketing. Joined Rex in 1957.
- E. M. Waldron, Vice President-Administration. Joined Rex in 1959.
- G. A. Evans, Secretary. Joined Rex in 1939.
- W. E. Schauer, Treasurer. Joined Rex in 1952.

U. S. PLANTS

Chicago, Ill.	Ottumwa, Iowa
Chico, Calif.	Painesville, Ohio
Darlington, S.C.	Paramus, N.J.
Dolton, Ill.	Racine, Wis.
Downers Grove, Ill.	Santa Ana, Calif.
Ellwood City, Pa.	Sarasota, Fla.
Englewood, N. J.	Springfield, Mass.
Los Angeles, Calif.	Warren, Pa.
Louisville, Ky.	West Milwaukee, Wis.
Madison, Ind.	Wheeling, Ill.
Maynard, Mass.	Worcester, Mass.
Milwaukee, Wis.	Zanesville, Ohio
Minneapolis, Minn.	

DISTRIBUTION CENTERS

Atlanta, Ga.	Montreal, Quebec, Can.
Chicago, Ill.	Philadelphia, Pa.
Cincinnati, Ohio	Portland, Oregon
Dallas, Texas	San Francisco, Calif.
Edmonton, Alberta, Can.	Toronto, Ontario, Can.
Los Angeles, Calif.	

AFFILIATED COMPANIES

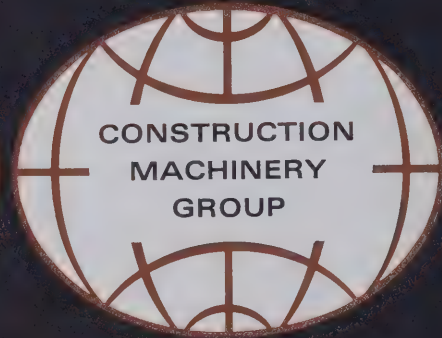
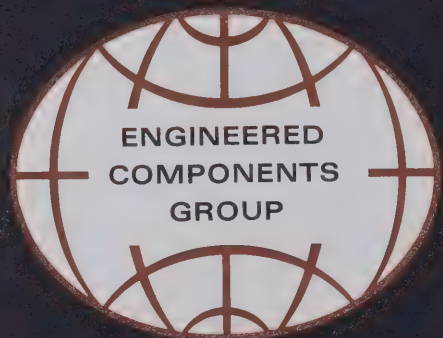
Camloc Fastener G.m.b.H., Germany
Camloc-France S.a.r.L., France
Camloc Industrial Fixings (U.K.) Limited,
United Kingdom
Fowler Rex Pty., Ltd., Australia
Hydrotec S.A., France
Koshin-Racine Ltd., Japan
Mathews Conveyor Co. Ltd., Canada
O.C.P. S.A., Belgium
Polimecanica, S.A., Argentina
Racine Hydraulics (Canada) Limited, Canada
Racine-Memsa Hidraulica e Maquinas S.A., Brazil
Racine und Vickers-Armstrongs G.m.b.H.,
Germany
Rex Chainbelt (Canada) Ltd., Canada
Rex-Hunnebeck G.m.b.H., Germany
Rex International Inc., Milwaukee, Wisconsin
Rex-Regina S.p.A., Italy
R.V.A., Inc., Racine, Wisconsin
Sarasota Precision Products, Inc., Sarasota, Florida



P. O. BOX 2022
MILWAUKEE, WISCONSIN 53201

AR43

the
world
of
 REX



the world of Rex

The technological advancement within our lifetime sets this age apart from all that have preceded. Man's unrelenting search for new knowledge and man's accomplishments exceed even the most incredible dreams of our forebearers.

Today, through an increasing social awareness, we search for a new quality of life. A life in which air and water are clean, blighted areas are eliminated, urbanized congestion is relieved, and the needs for shelter and food are met for all mankind. New technology and new knowledge must lead the way toward building a better world for ourselves . . . and for those who follow.

In the world of Rex, our mission is to aid in the improvement of life through the application of new knowledge and advanced technology. Rex has a broad and growing spectrum of technological capability which is bringing about new ways to abate pollution, to handle the raw materials for processing, and to automate the distribution of finished goods. We will multiply individual effort by finding new methods to transfer energy from various sources of power. We are innovating in the construction of roads and reconstruction in urban centers . . . and we are doing much more.

Rex will help make the vision of a better life a reality.

WE HAVE TAKEN ADDITIONAL STEPS
TO PROTECT YOUR PERSONAL LUGGAGE
PLEASE EXAMINE YOUR BAGGAGE
CHECKS WHEN LOCATING YOUR
LUGGAGE AND LEAVE THESE WITH
THE ATTENDANT AT THE EXIT

2



Luggage is claimed with greater ease because leading airlines have Mathews Carrousel luggage dispensers.

automated unit handling group

Food — processed, packaged, frozen, shipped, warehoused, and shipped again to feed a nation of 325 million people by the year 2000.

Baggage — suitcases, golf clubs, and fishing poles, must be moved faster, in larger volumes, for the 444% increase in air passenger traffic expected in the nation's twenty-one largest cities between 1965 and 1980.

Air cargo, everything from fresh tulips to turbines, en-route from Bangkok to Boise, can't wait on air terminal shipping docks. In the 1970's, the volume of this freight will increase at a rapid rate of 15% per year.

Warehouses must move millions of parcels per day from storage rack to shipping dock to satisfy customer demand.

The key to the solution of these problems is automation: the efficient transport of more units at a lower cost per unit. And in the world of Rex that key is turned by our Automated Unit Handling Group. Built around the engineering know-how and pioneering spirit of our Mathews Conveyor Division, automated unit and pack-





age handling systems are being installed across the continent.

Customers in central Canada receive their catalog orders on time. Seven miles of conveyor with its sophisticated controls in a Toronto warehouse, met the demand and solved the problem.

For more than a decade, Mathews Carrousel airport luggage handling dispensers have enabled passengers to claim their bags in less time at major air terminals around the world. Mathews engineers have now turned their attention to intra-terminal baggage handling. Some day, perhaps, a passenger can claim his luggage from a computer controlled handling system with dispensing stations located near his car. Manual handling and transfer will be concepts of yesterday.

Pod loading of air freight, moved by a conveyor to a jet freighter and transferred on plates of steel balls, is done today by Mathews equipment. Tomorrow, parcel sortation will be done with even greater sophistication by computer. A few men will manage the entire handling operation.

Tomorrow in the world of Rex means now. Automation of all unit handling operations, ranging from 100,000 pound steel coils to packaged razor blades, must be accomplished. American industry wants single source system responsibility. In the world of Rex that means Mathews.

Seven hundred pound foundry castings destined to become tractor transmissions are conveyed through this assembly plant on Mathews live-roll conveyors.



Air cargo can be stowed away in modern jet cargo freighters because Mathews developed this hollow ball transfer and conveying unit. Cargo pods can be loaded, turned, and stowed with great speed.



Incoming merchandise is sorted automatically for movement to one of three floors in this modern Canadian catalog warehouse.



All kinds of food and restaurant supplies are stored in this West coast warehouse. Mathews conveyors provide rapid movement for sortation, storage, and shipment.

This control panel enables restaurant supplies to be moved with greater efficiency and economy in the warehouse mentioned above. Panel design includes a flow diagram.





*Specially designed fasteners
engineered to perform time after
time.*

specialty fastener group

To most of us, if we even stop to think about it, a fastener is a nut and bolt, a door latch, or a clip on the inside of a cabinet.

Rex fasteners and latches have been designed for application on products which demand high quality and long service life. They keep luggage and communication hatches closed on jet airliners as they streak across the sky. They also hold the cabin insulation and decorative panels in place. Computer programmers and office machine operators spend more productive time on the job because Camloc and Delron fasteners are used to provide rapid access for the repair of control modules and machine components. Commercial refrigeration equipment is available today with more storage space because of the development of thin wall insulation. Our fasteners hold that insulation in place. Farmers can more quickly inspect the drive trains on their tractors. Campers have more ready access to their trailers because of Rex latches.

In the world of Rex, we manufacture a special kind of fastener designed to reduce the cost of installation and maintenance. Rex fasteners must perform their tasks again, and again, and again. We are concerned about the tremendous cost involved in a grounded plane or a broken computer. We also care about farmers, campers, and the users of commercial refrigeration equipment.



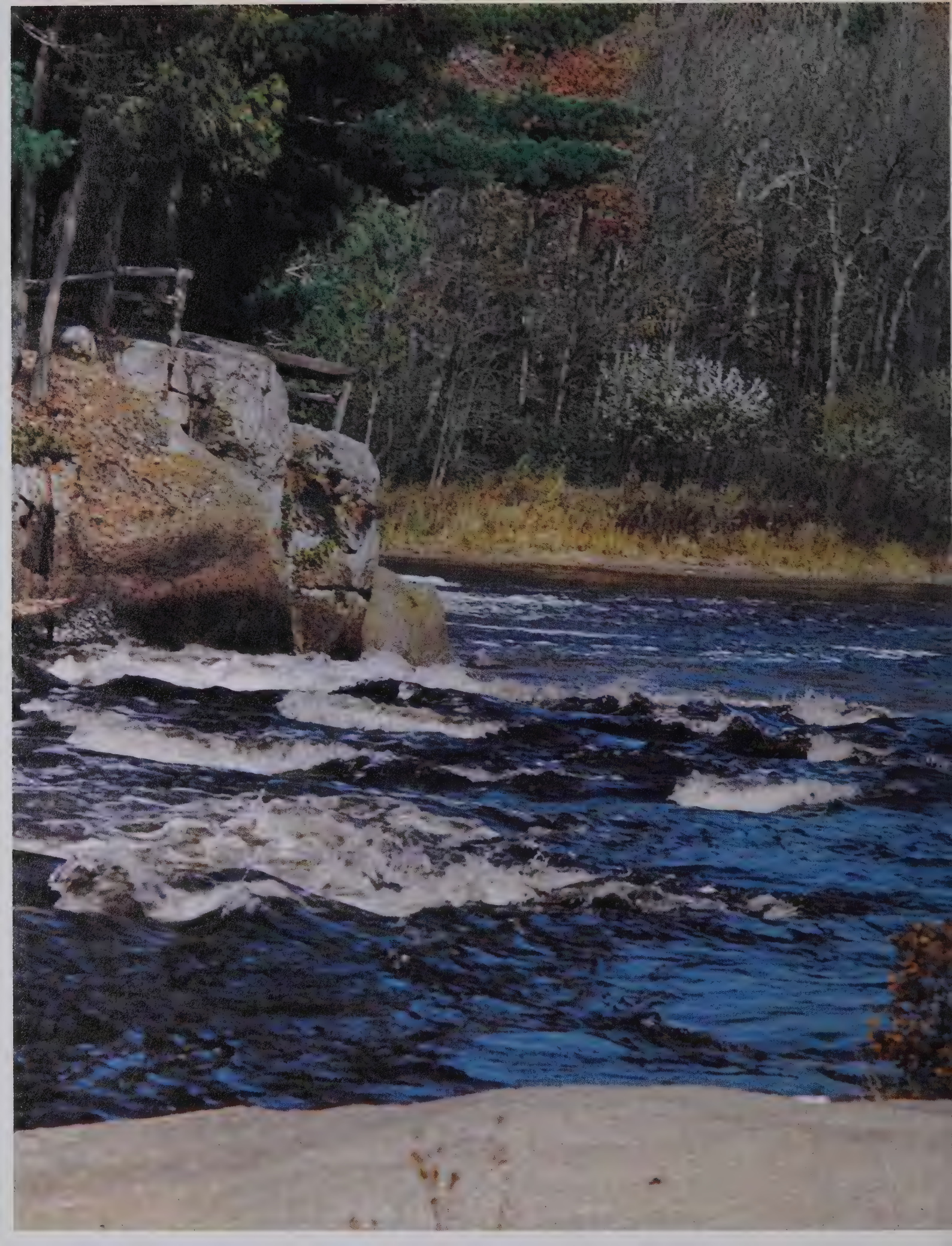
Delron fasteners hold the decorative panels in place in the cabin of this modern jetliner. They also hold the cabin insulation securely.



At 30,000 feet this luggage hatch has to remain closed. On the ground it needs to be opened quickly again and again to allow rapid unloading of passenger baggage and air cargo. Camloc hatch latches make both operations possible.

Camloc latches permit rapid access to interior control modules reducing downtime.





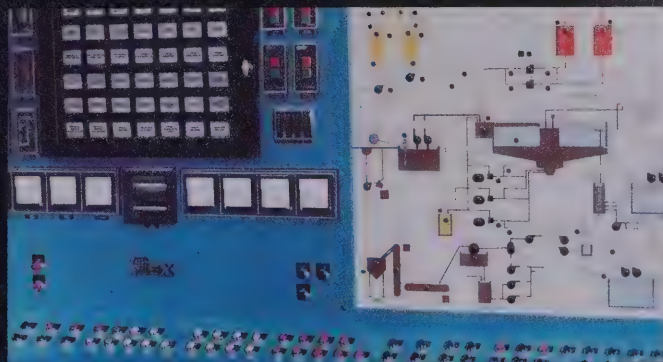
Cool, clear water — a precious resource. It must be conserved. The answer is the control of pollution.

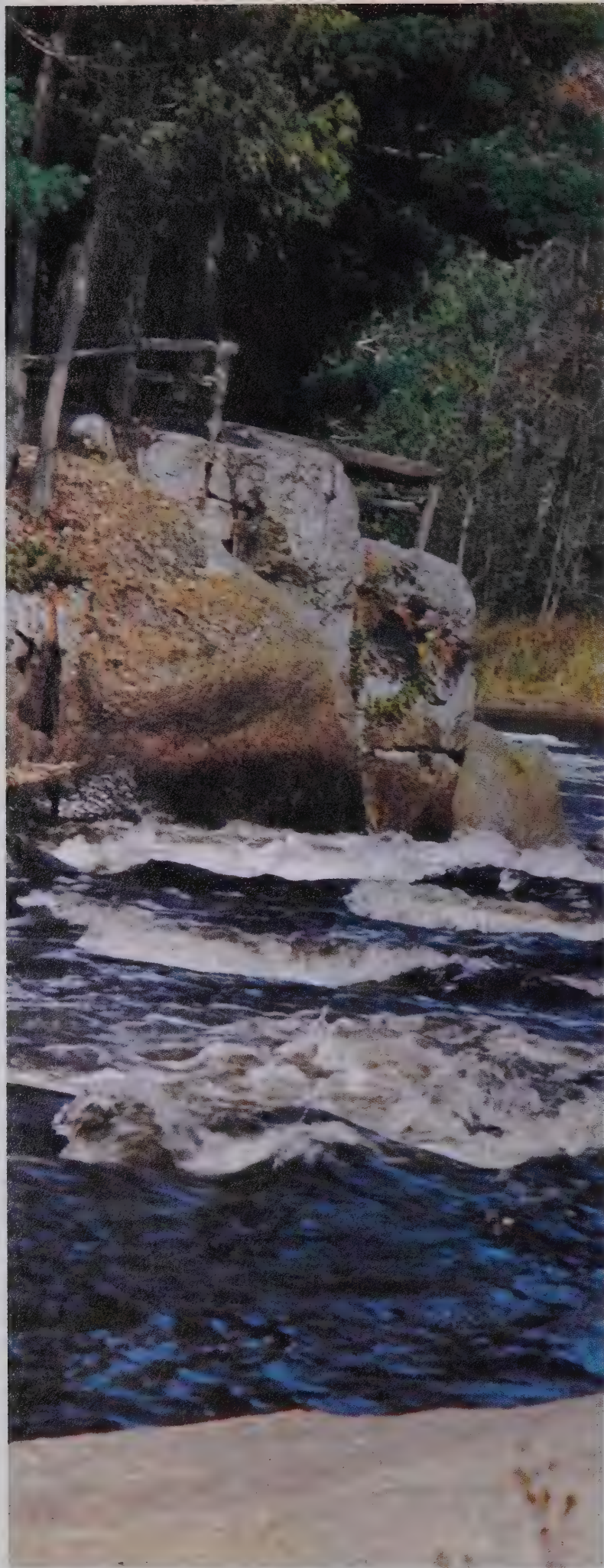
environmental control group

For more than half a century, Rex has been designing, testing, building, and installing equipment for the treatment of water, and industrial and municipal wastewater. The first traveling water screen to provide debris free power plant water came in 1910; the beginning of a long list of innovations. Through large expenditures in research and development, we have added a number of products to those developed by our Process Equipment Division. Our complete product and system capability now place us in a leadership position in the field of water management and pollution control.

Society became increasingly aware of the dangers of pollution, and this awareness brought with it a commitment to clean up the water resources so essential to our way of life. Laws were passed. Water quality standards were established. Cities and industries who have polluted our lakes and streams were asked to make an effort to stop their pollution.

Rex was ready: with its complete line of equipment for the solution of our water pollution problems. And Rex will be ready in the years ahead. Research is currently





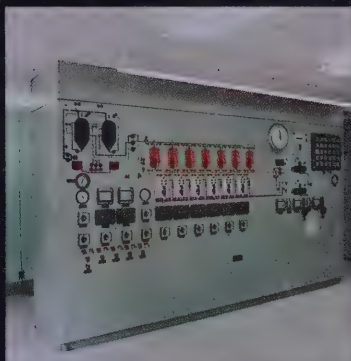
underway on improved methods for the treatment of combined sanitary and storm sewer wastewater; on treatment plants for remote areas and on better ways to concentrate and dispose of final treatment plant waste solids.

As a society, we have learned painfully that we must be concerned about, and plan for the disposal of the unwanted by-products of technological advance and the enhancement of our way of life. In the world of Rex, that concern and planning has been alive and growing for more than fifty years.

Rex traveling water screens provide debris free water for this West coast nuclear power plant.



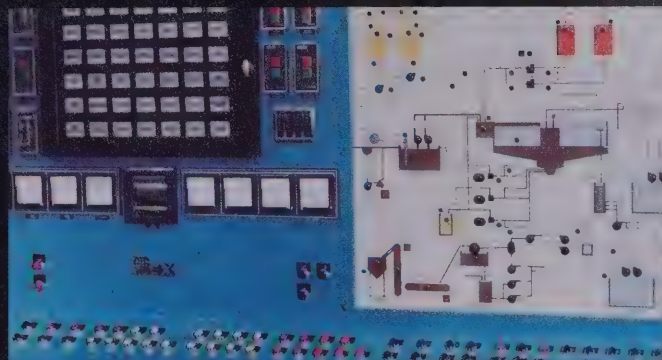
Rex can provide complete systems for the treatment of municipal and industrial wastewater. This modern, Midwestern municipal treatment plant is an example. Rex supplied equipment for removal of large refuse waste, sand and gravel, suspended solid material, as well as final settling basins and digesting equipment.



A sophisticated control panel and a number of softening and demineralization units are essential in providing boiler feed water in this chemical plant. The panel and water conditioning equipment are products of the American Water Softener Division.



This panel, complete with color coded flow diagram, controls the entire wastewater treatment process in a modern automotive assembly plant. The panel and treatment equipment were built in the world of Rex.





Hot steel slabs from a continuous casting machine in lengths ranging up to thirty feet are conveyed and cooled on this table designed and built in the world of Rex.

conveyor systems and components group

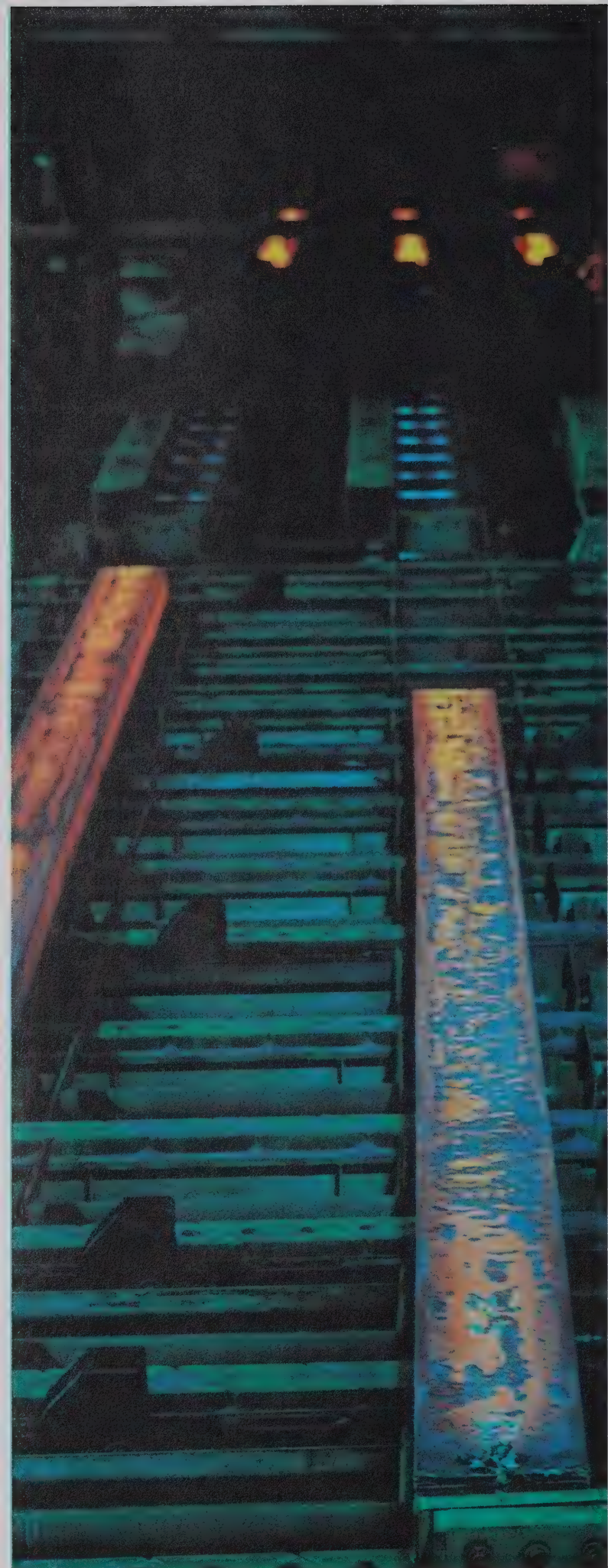
In modern steel mills, the "start to finish" operation is dependent on fast, automatic material handling. Electronic control panels are custom designed and co-ordinated with feeders, conveyors, and weighing equipment to process and handle raw material in its various stages before the end product is realized, such as hot billets streaming from a continuous casting machine.

In other industries, as well as steel, the common denominator of the Conveyor Systems and Components Group is solving material handling problems whether the requirements call for an automatic batching system, the continuous movement of containers, the conveying of bulk material, or natural frequency vibration capable of handling many types of conveying, cooling, and drying applications. Rex total systems approach results in high production at lower costs.

Rex electronic weighfeeders and continuous weigh scales permit quick transmission of information to control instrumentation and computers vital to automated control of modern cement mills.

Where cleanliness is a must and where lubricants cannot be used, Rex TableTop chain provides a tip free solution for the conveying of small fragile bottles in





the pharmaceutical industry. Miles of Rex Tops conveyor chains are used by breweries, dairies and soft drink bottling plants.

Our conveyor systems and their controls are at work today in the movement of coal through a coke plant. They are very much a part of the retrieval of the limestone and in the production and movement of taconite.

In the food processing industry, the drying of shredded coconuts from 50% moisture to approximately 12% moisture is achieved by a Carrier vibrating process unit. Cooling and drying systems built by Carrier are in wide use in many chemical processing applications, as well as other industries.

In steel, mining, chemical, food processing, cement, glass, bottling, and other vital production industries, the prime concern is to keep cost down by the fast movement of material. Industrial leaders look to the world of Rex for innovations in total systems capabilities in design and construction.

Foundry sand and castings are conveyed and cooled on these Rex Carrier vibrating conveyors. These conveyors, which cool and convey at the same time, are adding greater efficiency at reduced cost in foundries across the country.



Pickles, dill and sweet are sorted, washed, bottled, and held for labeling, storage and eventual shipment. Much of the movement is done on Rex TableTop Chain.



Storage of bulk materials in thousands of handling operations is made easier by bucket elevators designed and built in the world of Rex.



Logs in lumber and pulp and paper mills around the world are moved by Rex multiple strand steel chain.



This panel, designed to batch ingredients for a basic oxygen furnace in one of the nation's leading steel mills, allows an operator to automatically select, weigh, gather, and deliver flux material in minutes. The BOF furnace, into which these materials are deposited, can produce 250 tons or more of molten steel in less than an hour.

Conveyors built with Rex engineered components make the efficient movement and storage of limestone possible at this quarry on an island in Lake Michigan.





Power and its efficient transmission are a big part of the world of Rex. Arrayed here are just a few of our engineered components for the transmission of power.

engineered components group

Chain in the world of Rex is most often made up of side bars, pins, bushings, and rollers. Sometimes the links of chains are cast and fit together like parts of a jigsaw puzzle. Today most chain parts are stamped or machined from high grade, alloy steels. Some of our chain is molded of high strength plastic; so are some of the bushings. We have been in the chain business a long time, since 1891. Much of the chain we make is used to transmit power. Our chain rotates concrete mixers and drives the wheels and high speed blades of lawnmowers. It provides power to drive oil drilling machinery or farm implements. Our plastic and stainless chain with flat plates conveys bottles, hot cross buns, and beer. Other larger chains raise sluice gates on a large earthdam, convey logs in lumber and pulp





mills, and move 100 ton steel coils in rolling mills.

Power and its efficient transmission are a big part of our world. Over the years, we have added bearings for industry and aerospace; couplings which flex to take up misalignment and shock in drive shafts; speed reducers for use with electric motors and parts for clutches used everywhere. Rex also supplies universal joints, high precision shaft seals, and cutting knives for hay crops and weed control.

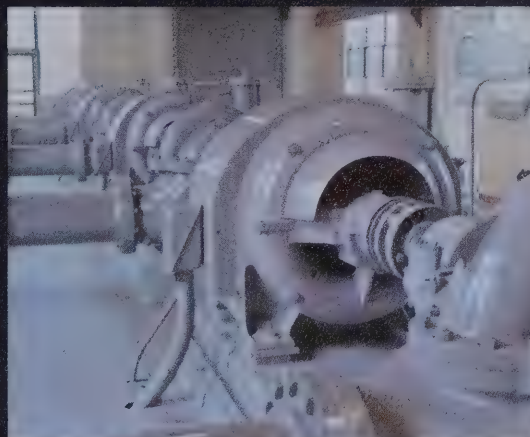
In industry's search for more efficient and economic ways to produce its goods, power transmission technology and product development will continue to grow and prosper. Power transmission growth will be a big part of the growth of the world of Rex.

Thomas-Rex disc type flexible couplings have joined these electric motors and their water pumps for more than 20 years.

Bearings to control flaps and spoilers, and other hydraulic components to cushion landing — all of these are part of the world of Rex. They are also important systems in this giant jetliner.

Doughnuts by the thousands are cooled each day on this overhead conveyor in a leading Midwestern bakery. Rex roller chain forms the base of the conveyor.

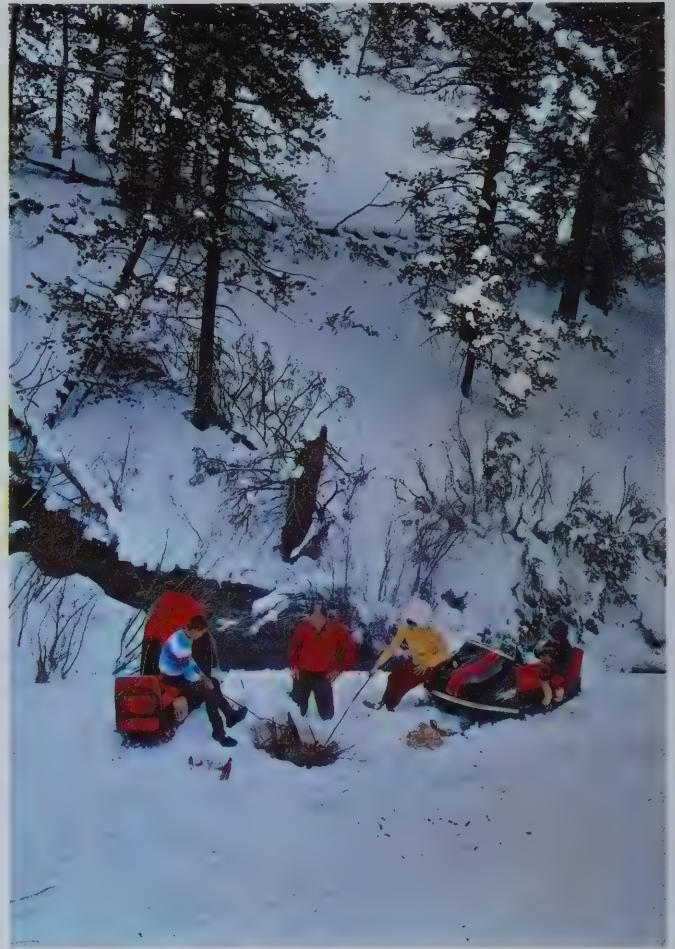
Rex industrial bearings operate under various extreme conditions. These are at work in a sawmill where dirty, dusty conditions prevail.



Let's have a party. These folks got together for a wiener roast in the winter. Their snowmobiles move across the snow on specially designed chain.

High precision automotive clutch, transmission, and differential parts are tested on this track. Innovations here find application in modern automobiles.

Motorcycle drive chain has been a big part of the world of Rex almost from the beginning.





East side West side — helicopters are being used in new and exciting ways in major metropolitan areas across the country. Rex aerospace bearings are used in the rotor assemblies of nearly all commercial and military helicopters.

Flexible couplings, products of the world of Rex, transmit power to circulate the acid in these tanks.

Rex agricultural components — chain, gear boxes, seals, sprockets, and knives are found on almost every type of farm equipment manufactured today. This is an example.





Rex concrete mixers are at work today delivering thousands of cubic yards of high grade concrete to urban renewal construction sites.

construction machinery group

On Thanksgiving Eve, traffic on the Interstate highway around Chicago was backed up for five miles at the exit to the O'Hare International Air Terminal. Movement on one of this nation's most modern highways had stopped. Weekday peak periods are not much better.

Most of our urban centers need renewal: urban renewal. Older buildings and blighted neighborhoods must be replaced by modern structures of concrete and steel, and by residential complexes of houses, yards, schools, shopping centers, and general recreation areas. Renovation and revitalization are of critical importance.

One of the basic ingredients for the completion of the interstate system, or the expansion of an expressway, or the resurrection of a central urban complex, is concrete. In the world of Rex, the batching, proportioning, weighing, mixing, transportation, placing, and finishing of concrete is big business.

To begin, the ingredients for producing concrete must be brought together and held in readiness. Then they must be mixed to exact specification. The Construction Machinery group in the world of Rex has a wide range of portable and stationary bin and batch plants. Rex technology has developed a punch card controlled batching system to insure concrete of continuing high quality.





Metallurgical research has resulted in a truck mounted concrete mixer which combines high durability with light vehicle weight to maximize the pay load. Other machinery lines include those for the preparation of a road's subbase, through soil stabilization and compaction. Minor alterations to the Rex Pactor make it the Rex Trashmaster, essential to the successful operation of almost any system of land fill disposal of refuse and solid wastes. Rex slipform pavers, eliminating the need for side rails, make possible highway paving at rates of more than a mile per day.

The Construction Machinery group in the world of Rex is ready with equipment and technology. We can supply machines to prepare the subbase and lay down the concrete on interstate and expressway systems or rural and urban roadways. We can store, weigh, and prepare concrete for delivery in our truck mixers to road paving and building sites in rural areas or urban centers. Our equipment and the determination of the American people can be combined to provide better roads and living conditions in this country and the world.

Modern sanitary landfill eliminates the old smoking and germ laden garbage dump. The RexTrashmaster's special wheel design compacts waste more effectively, and the blade levels the pile and spreads a layer of dirt over existing trash.



Long a leader in the production of road paving machinery, this Rex paving train is at work on the interstate system in South Dakota.

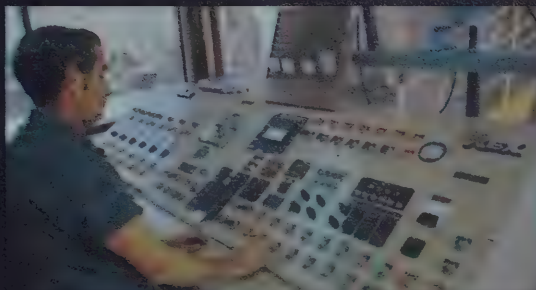


Better, longer lasting highways are the result of a good compacted subbase. Rex vibratory rollers give greater compactive effort with fewer passes.



Subbase preparation is an essential step in the construction of modern highways. Rex Pulvi-Mixers are essential to the preparation of the highway's subbase. They are equally essential to the efficient and economical reconstruction of secondary roads in rural and urban areas.

Concrete comes in a variety of densities and compositions, but each batch must be equal in quality. This punch card batching panel, designed by the Construction Machinery Group, assures continuous production of concrete of highest uniform quality.





*Valves, pumps, and cylinders
— all important components in the
technology of fluid power — a
growth force in the world of Rex.*

fluid power group

A car is crushed to the size of an orange crate; a soldier receives a shot for tetanus and typhoid without the use of a needle; a piece of steel is positioned and held, and milled to exact specifications; a 420,000 pound ingot buggy, traveling 12 miles per hour, is brought to a safe and gentle stop in 48 inches. All of these operations and many more are accomplished today through the use of fluid power.

The actions that result from the use of fluid power are in evidence everywhere. Most often we are not aware of its presence. Closed up in the comfortable cabin of a modern jetliner, listening to an attractive stewardess tell us about the flight plan, we are unaware that outside, in the midst of what amounts to a gale, landing gear are retracted, doors are closed, flaps are raised or trimmed and a rudder is moved. As we prepare to land, this whole sophisticated process is repeated in reverse. But there is more. Our landing is cushioned and the plane's speed slowed with fluid power systems. Planes don't fly without fluid power.

And in the race to outdistance the rising costs of men and materials, manufacturers of aircraft, automated machinery, and a thousand other products have turned to fluid power to speed production and maintain product quality while they try to keep cost within range of their customer.

With components and systems designed and built by





Rex's Racine and Hanna Divisions, major machining operations can be automated. Automotive engine blocks and other kinds of castings can be moved into proper position. Boring and milling work can be done to exact specification with the help of fluid power. Numbers of units ranging from a few to hundreds can be handled at one time depending on need. Waste is cut down and men can be freed for other essential work. Product parts and assembled units can be produced in less time at lower cost.

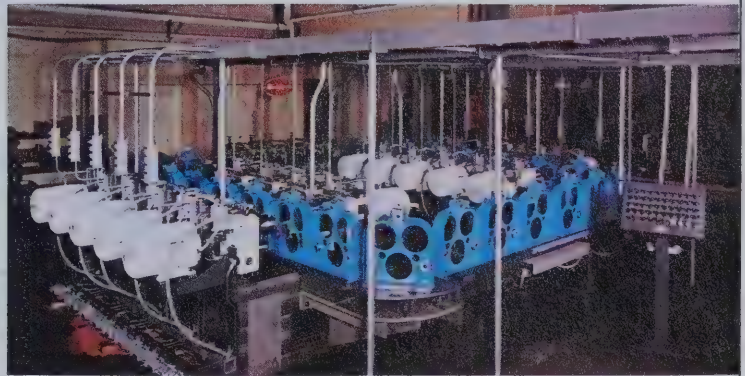
In the world of Rex, the Fluid Power group designs and manufactures systems and equipment for use with both air and oil. In addition to its systems capability, the group has taken fluid power technology and put it to use in the development of railroad maintenance equipment and hydraulic powered tools for the construction industry. Because research was done at the Oil-Dyne plant, small fluid power systems have been put to work to painlessly inoculate millions of people against disease and infection. These products for railroad maintenance, construction, and modern medical technology are just a beginning in the practical application of fluid power technology in the production of products which will reduce cost and increase profitability.

In the world of Rex, fluid power technology with the components, controls, and systems that form its hardware play a large role. In the future, they will play an even larger one.

Sophisticated fluid power technology properly positions and cuts this steel in a corrugating operation. Sheets are cut in forty foot lengths. They appear on roofs and sides of modern manufacturing and agricultural buildings.



Complex machining operations controlled with fluid power systems provide greater efficiency and higher production quality.

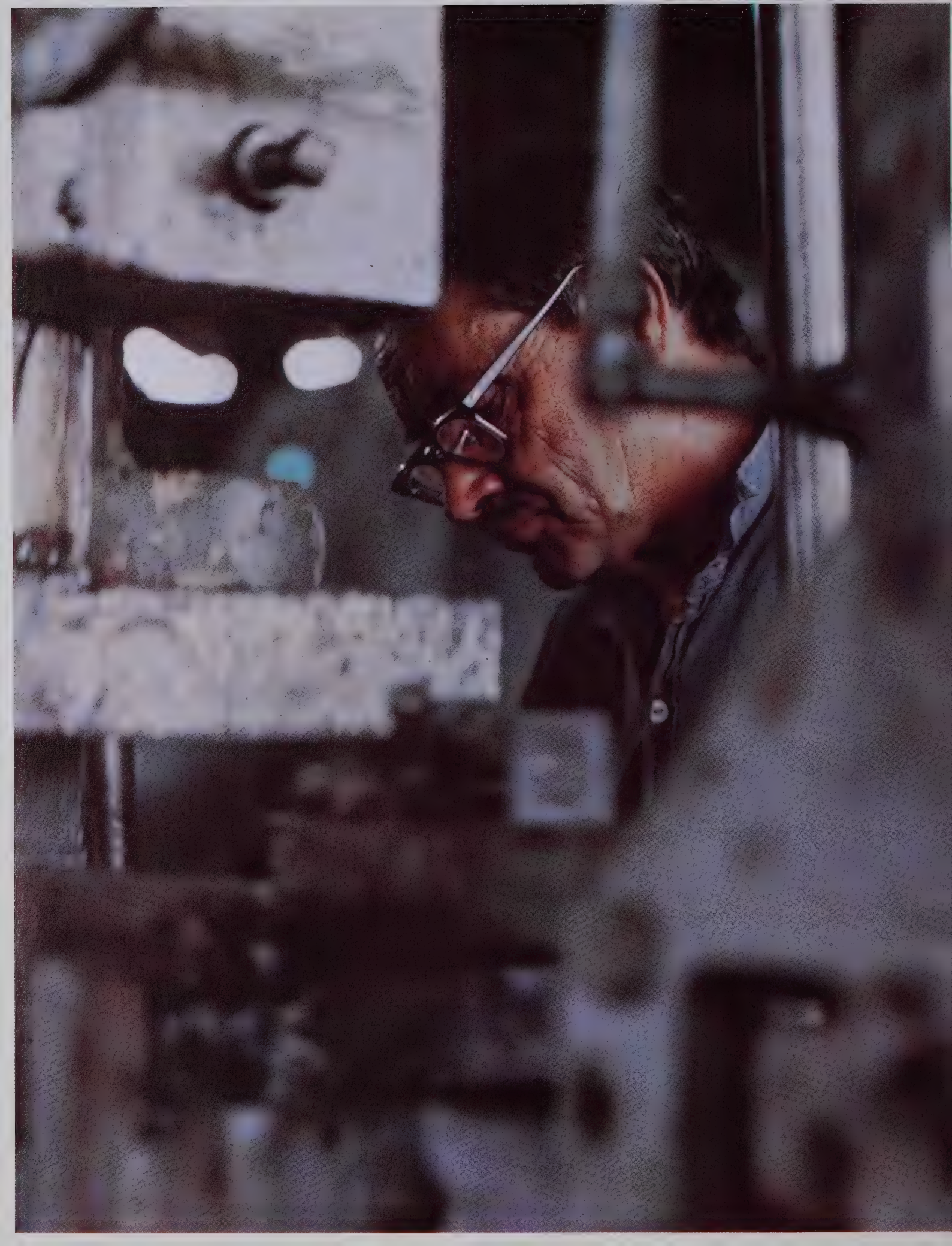


Retrieving grain from this hillside is a ticklish task. Fluid power technology developed a system for positioning the beater bars of this combine.



A rugged Hanna cylinder operates the claws of this sugar cane loader in Louisiana.



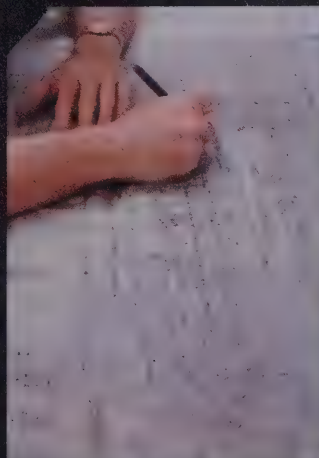
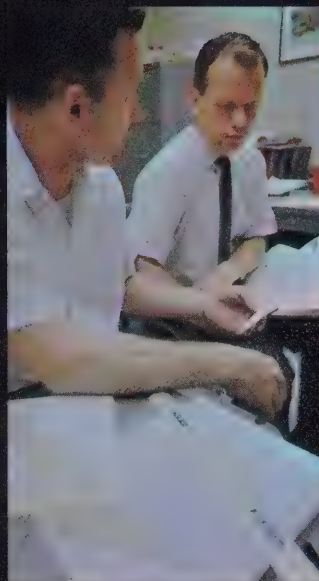


people in the world of Rex

At Rex, people are important. And so are goals, plans, budgets, desires, needs, and results. In the world of Rex, it is the people who are most important: machinists, prospects, salesmen, managers, shareowners, research people, suppliers, assemblers, customers, distributors, engineers, and many more.

People have individual aspirations and ends to which they devote themselves. So does Rex. The task is the meshing of diverse talents and aspirations so that growth — personal, collective, and corporate — is attained. Growth at Rex is both a symbol of aspiration and a consequence of hard work. The pursuit of growth is our challenge and we chart our course on continued accelerated growth for Rex and its people. We strive to excel, and to improve all areas of our corporate activities.

But most of all, we extend our efforts to be a company which offers to its people opportunity for the attainment of individual goals, which respects individuality and dignity, and where there is a deeper satisfaction of working with others in a worthwhile enterprise. For it is only through the people of Rex that this corporation will distinguish itself in all the things it sets out to accomplish.

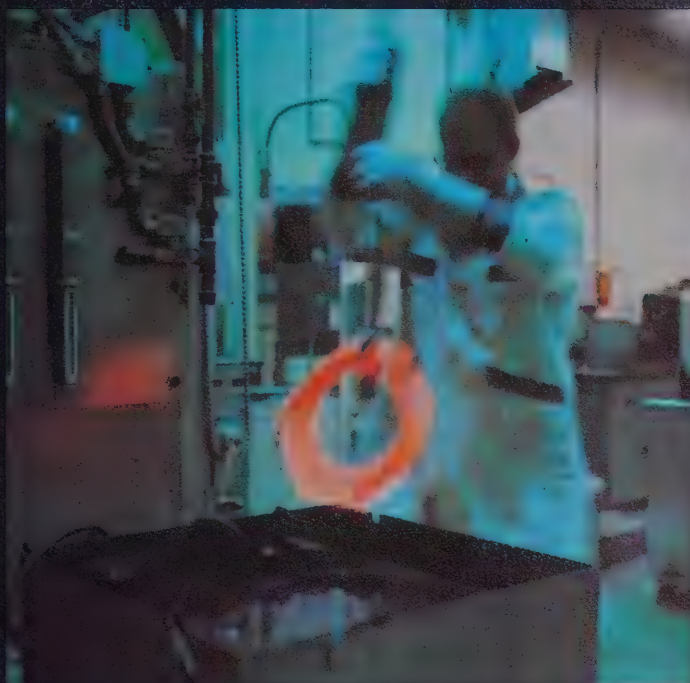




the Rex technical center

Finding better ways to meet human needs through applied technology is a major goal of the Rex Technical Center. Whether the result is a vastly improved airport baggage handling system, a machine which enables one man to do the work of ten, or a wastewater treatment system that allows water to be reused indefinitely, the underlying principle remains the same . . . minimize effort and reduce the ultimate cost.

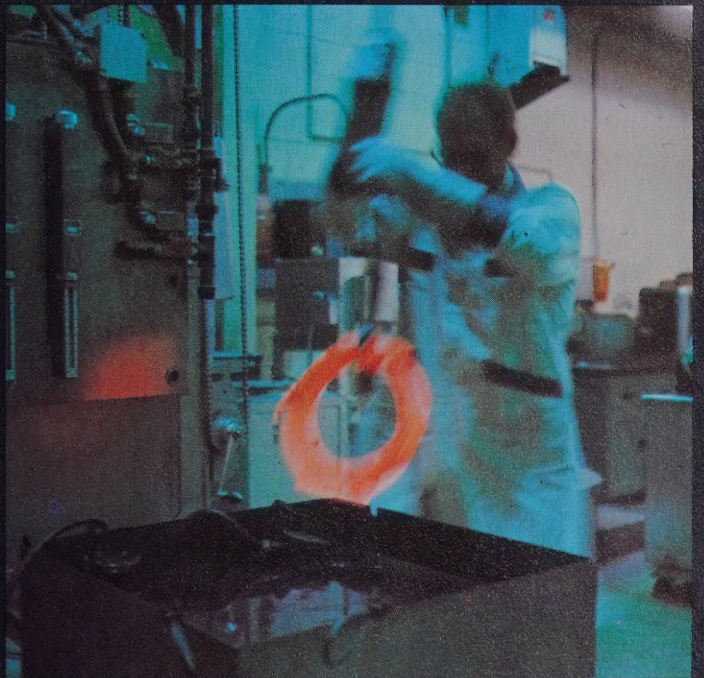
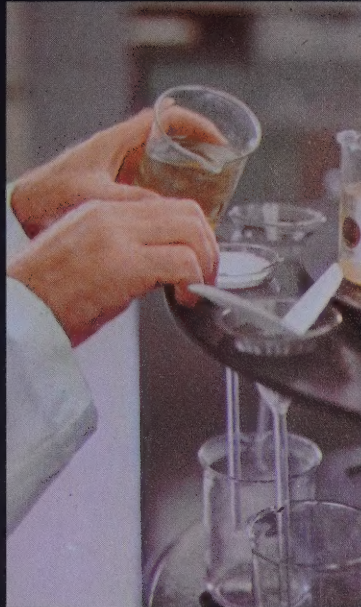
Operating on this basis, the direction of internal growth at Rex is oriented to seek out and identify problems, and then solve these problems through research and advanced engineering. Through internally financed development programs, the Technical Center is providing Rex with the means for continued growth in such areas as advanced electronic circuitry, automated material handling systems, fluid logic, aerospace components, process controls, and hydraulic power transmission. Conducting research programs for Federal, state, and local pollution control agencies on a contract basis,



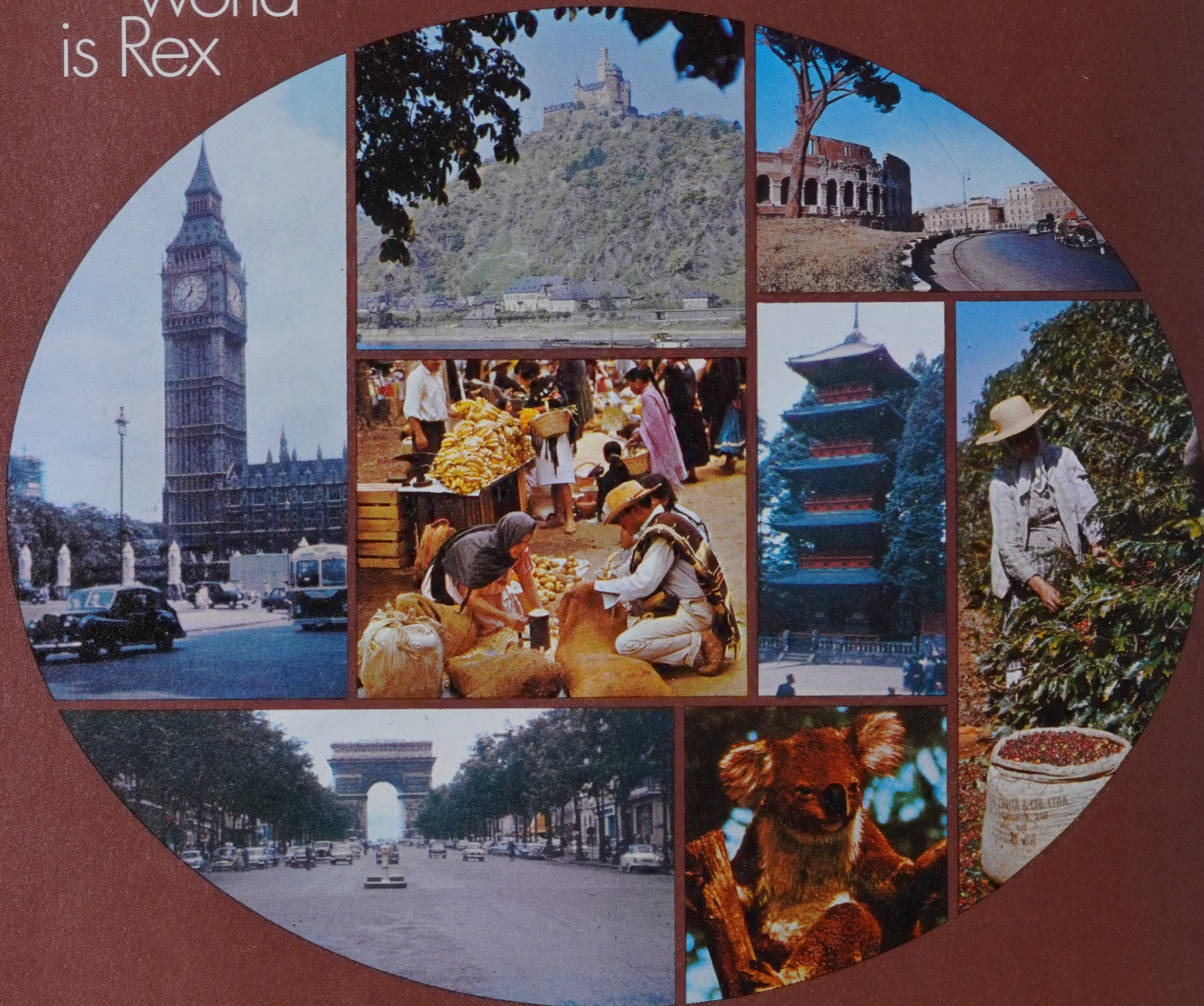


Technical Center engineers are helping our society meet the challenge of preserving its environmental resources. In every case, the effort is primarily one of helping man make his world a better place in which to live.

Examples of recently developed Rex products which have helped industry meet the needs of our modern society include a continuous weighing and feeding device for material batching operations, an ultra-light self-lubricating bearing for the aerospace industry, production equipment that completely automates the assembly of power transmission components, and an air-transportable wastewater renovation unit that makes drinking water out of laundry waste. Developments currently in progress include a printed circuit motor for high-speed computer drives, miniature hydraulic valves for fluid logic components, and an automated baggage handling system for tomorrow's airports. Through these kinds of effort, the Technical Center is assuring that Rex will continue to make its contribution to a better way of life.



all the
world
is Rex



Bangkok, Thailand is installing a treatment plant to control water pollution. A cement mill has been erected in Greece. Most, if not all, of the emerging nations of the world will need new modern manufacturing plants, mining equipment, and highways. The world of Rex will be busy supplying these needs all over the globe.

With plants to control pollution or conveyors to move ore and other materials from mine to mill, emerging nations will develop successfully and the industrialized countries will continue to grow and prosper.

With its world-wide network of plants, distribution centers, and field personnel, application help and products

will be made available to effectively serve these international needs.

Highways and airports will be placed in France and Guam. Conveying systems will stretch for miles in the Andes or the Alps. Major urban centers like Manila or Buenos Aires will be able to control pollution with modern efficient treatment facilities. Rex equipment and systems will appear everywhere, manufactured in local plants, flown in by planes that fly with the help of Rex, or brought in by ships driven with the help of Rex, and unloaded at airports or docks with the help of Rex.

It can be said that our world is the Rex world.

groups and divisions of Rex

AUTOMATED UNIT HANDLING GROUP

MATHEWS CONVEYOR DIVISION: Ellwood City, Pennsylvania
Chico, California
Port Hope, Ontario, Canada

SPECIALTY FASTENER GROUP

CAMLOC DIVISION: Paramus, New Jersey
ATLANTIC SPRING PIN SECTION: Englewood, New Jersey
DELRON DIVISION: Santa Ana, California

ENVIRONMENTAL CONTROL GROUP

PROCESS EQUIPMENT DIVISION: Milwaukee, Wisconsin
PACIFIC FLUSH TANK DIVISION: Chicago, Illinois
AMERICAN WATER SOFTENER DIVISION: West Conshohocken, Pennsylvania

CONVEYOR SYSTEMS AND COMPONENTS GROUP

CONVEYOR AND POWER TRANSMISSION DIVISION: Milwaukee, Wisconsin
CONVEYOR DIVISION: Milwaukee, Wisconsin
CARRIER DIVISION: Louisville, Kentucky
WESTERN DIVISION: Los Angeles, California
REX CHAINBELT (CANADA) LTD.: Willowdale, Ontario, Canada

ENGINEERED COMPONENTS GROUP

BEARING DIVISION: Downers Grove, Illinois
Burbank, California
PERFECTION AMERICAN DIVISION: Harvey, Illinois
Darlington, South Carolina
ROLLER CHAIN DIVISION: Springfield, Massachusetts
Worcester, Massachusetts
LUND DIVISION: Maynard, Massachusetts
Ottumwa, Iowa
THOMAS COUPLING DIVISION: Warren, Pennsylvania
CARTRISEAL DIVISION: Wheeling, Illinois
DOLTON DIVISION: Dolton, Illinois

CONSTRUCTION MACHINERY GROUP

CONSTRUCTION MACHINERY DIVISION: Milwaukee, Wisconsin
Madison, Indiana

FLUID POWER GROUP

RACINE HYDRAULICS DIVISION: Racine, Wisconsin
Zanesville, Ohio
Painesville, Ohio
Minneapolis, Minnesota
Sarasota, Florida
Toronto, Ontario, Canada

HANNA DIVISION: Chicago, Illinois

REX INTERNATIONAL INC.

THIRTEEN MANUFACTURING AFFILIATES OVERSEAS IN:
United Kingdom, Germany, France, Belgium, Italy,
Brazil, Argentina, Australia, Japan

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